

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: September 24, 2008

PERSONNEL LETTER # 08-010
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Don Scheppmann, Chief
Personnel/Payroll Services Division

RE: **JULY 1, 2008 GENERAL SALARY INCREASE FOR CIVIL SERVICE BARGAINING UNIT 9**

Pursuant to the memorandum of understanding, the Department of Personnel Administration (DPA) has approved a general salary increase (GSI) for rank and file classes/ranges in bargaining unit 9 effective July 1, 2008. Refer to DPA Pay Letter 08-27 for further information.

The GSI will be processed via an employment history (EH) database mass update and manually for those who cannot be included in the mass update (see below). The new salary rate will be reflected in the employees October 2008 master payroll. Also, adjustment payments will be made for the 07/2008, 08/2008 and 09/2008 pay periods. See below for additional information on the adjustment payments.

1. EH UPDATE PROCESSES

An EH mass update will be processed on Thursday, September 25, 2008 to post the 07/01/08 effective date GEN transaction for the employees due a GSI. The GEN transaction will reflect the GSI within the employee's base salary rate. In addition, out-of-sequence transactions will be included in the mass update process.

PPSD will manually update the EH records not included in the mass update on a flow basis. Also, PPCS will notify departments of situations requiring department action.

A turnaround (TAD) PAR will be issued from the above updates. The TAD PARS will be released on a flow basis.

2. SPECIAL EH DOCUMENTATION/PROCESSING INSTRUCTIONS

Once an employee's EH record is updated, the 07/01/08 effective date GEN transaction could create an out-of-sequence condition. If allowed, salary rate must be entered on any new out-of-sequence transaction. If not entered, the salary rate per the 07/01/08 effective date GEN transaction will be reflected on the new transaction and could create an overpayment situation. See PAM Section 9 for further processing instructions.

If correcting a 07/01/08 effective date transaction that was posted before the 07/01/08 effective date GEN transaction, key enter the GSI Code O (alpha O in the GSI field on the PAR1

update schedule) on the correct transaction to denote old salary rate. Also, per DPA, an MSA/SIS transaction shall be applied before a salary rate change. Thus, the 07/01/08 effective date MSA/SIS transaction must be posted on an employee's EH record before the 07/01/08 effective date GEN transaction. Key enter the GSI Code O on the MSA/SIS transaction to denote old salary rate. Failure to enter the GSI Code O could result in an incorrect base salary rate and/or anniversary date (i.e., overpayment).

3. PAYROLL ADJUSTMENTS

Adjustments for regular pay payments and overtime payments (i.e., non-FLSA overtime pay) that have already been issued will be automatically made after the employee's EH records are updated for the salary change. For employees updated via the above EH mass update, the adjustments will be made in the September 26, 2008 payroll cycle (issue date of September 29, 2008).

Departments will need to request GSI adjustments for the following payments that have issued for the 07/2008, 08/2008 and 09/2008 pay periods via the PIP system on the Form 671. See the PPM Section K for the PIP system instructions.

- FLSA overtime pay (payment type 1, payment type suffix F) – see PPM Section G024 for further information.
- Out of Class pay (earnings ID SI only) – see PPM Section G831 for further information.
- Awards/Bonus/Special pay (payment type A, G, 9, and S (except holiday pay)) if the pay rate is based on the employee's based on salary and the employee is receiving a GSI. Determine the difference in gross due and key the difference in the gross field on the PIP system's miscellaneous detail screen. For example, an employee was paid a payment type A, G, 9 or S gross of \$400.00 and the new gross after the GSI should be \$430.00. The difference of gross due is \$30.00 and that amount should be entered in the PIP system miscellaneous detail screen's gross field.

Departments will need to submit Form STD. 674/674D to request adjustments for the following payments that have issued for the 07/2008, 08/2008 and 09/2008 pay periods.

- Regular pay with dock applied for employees with a mid-month change.
- Regular pay for employees on an alternate work schedule or working a shift and time paid does not equal time possible for the pay period.
- Industrial Disability (IDL).
- Temporary Disability (TD).
- Nonindustrial Disability Leave (NDI) if benefits began after the 07/2008 pay period.
- NDI Annual Leave Supplementation.
- Out-of-Class Pay – Earnings ID 8G and 8G2 only.

- Supplemental premium Payment Type 8 only if the pay rate is based on a percentage of the employee's based on salary rate and the employee is receiving a GSI.

4. RETROACTIVITY CHARGES

The transactions as a result of the July 1, 2008 salary changes are considered to be non-controllable personnel and payroll transactions. The EH transactions and payroll adjustments resulting from the EH mass updates or initiated by PPSD should not be reflected on the Monthly Retroactivity Report. The EH transaction and payroll transactions that are key entered by the departments will appear on the department's report. The department can return the report identifying the items associated with the July 1, 2008 salary change along with the appropriate explanation.

5. TELEPHONE CONTACTS

Questions regarding the salary changes and EH/Payroll processing information can be directed as follows:

<u>SALARY AREA</u>	<u>CONTACT</u>	<u>TELEPHONE NUMBER</u>
Salary Program	DPA	(916) 324-9381
EH Procedures	Personnel Operations Liaison Staff	(916) 322-6500
Disability Procedures	Disability Liaison Unit	(916) 322-3619
General Payroll Procedures	Payroll Liaison Unit	(916) 323-3081

DS:JB:PMAB